



Pay Reform in Minneapolis Public Schools: Multiple Approaches to Alternative Compensation

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Introduction

Minneapolis Public Schools (MPS) offers teachers multiple ways to earn additional pay for their performance. In an effort to attract, develop, and retain high-quality teachers for the district as well as to improve student achievement, MPS has spent the past 10 years developing and refining a system of alternative compensation. Similarly, as many other districts and states contemplate alternative compensation for teachers, they will need to consider which components of teacher performance, skills, and knowledge they will use to inform decisions about pay.

In Minneapolis, the Alternative Teacher Professional Pay System (ATPPS) started in 2006 as a voluntary program that allows teachers to opt into a compensation schedule that primarily links teacher salary increases to teacher skill development. ATPPS encompasses two earlier alternative compensation efforts in MPS: the Minneapolis Professional Pay System (ProPay), which began in 2002, and the Minneapolis Teacher Advancement Program (MnTAP), which began in 2004.

ProPay began as an alternative salary schedule option for teachers to increase their salary through improved knowledge and skills by taking courses and completing follow-up activities to demonstrate the use of these newly acquired skills and knowledge. ProPay exists in this format today, but the courses available under ProPay now serve as one of the main ways that teachers can permanently advance their salary in ATPPS. MnTAP is based on the national Teacher Advancement Program (TAP) model, which rewards teachers for multiple career paths (career teacher, mentor teacher, and master teacher), classroom performance, and student learning gains. When MPS launched ATPPS, both ProPay and MnTAP became a part of the ATPPS “umbrella” program.

This case summary describes the compensation reform effort in Minneapolis, including ATPPS, ProPay, and MnTAP. It begins with a discussion of how compensation reform started in MPS. Then it provides an overview of the first incentive pay program in the district, ProPay. Following that section is information about the district’s second alternative compensation program, MnTAP. Next, the case summary takes a look at the 2005 Minnesota state law that emphasizes alternative compensation for teachers. Following that section is a discussion of ATPPS, as well as information on how the three programs work together. The case summary concludes with a

discussion of four key lessons learned from program implementation: (1) agree early on the key program elements, (2) involve union representatives in the decision making process, (3) offer an aspect of choice to participants, and (4) provide effective communication between constituents.

Table 1 provides an overview of the three programs and a short description of each. Table 2 provides the timeline of events discussed in this case summary.

Table 1. Alternative Compensation System(s) in MPS

Alternative Teacher Professional Pay System (ATPPS)—started in 2006	
<ul style="list-style-type: none"> Optional “umbrella” program for teachers who want to opt into an alternative salary schedule. Includes ProPay, MnTAP, and 28 additional options for accumulating professional growth credits to move along the alternative salary schedule. 	
<p>Minneapolis Professional Pay System (ProPay)—started in 2002</p> <ul style="list-style-type: none"> First of the incentive pay programs for MPS. Offers rewards to teachers for individual and schoolwide demonstration of quality performance through rigorous, applied, and peer-reviewed professional development. Became a component of ATPPS in 2006. 	<p>Minneapolis Teacher Advancement Program (MnTAP)—started in 2004</p> <ul style="list-style-type: none"> Based on national teacher improvement model that rewards teachers for multiple career paths, classroom performance, student learning gains, and professional development. Became a component of ATPPS in 2006.

Table 2. Timeline of Events

Year	Event
1997–1999	MPS and MFT collaborated on their first attempt to create performance pay in Minneapolis. Through contract negotiations, MPS and MFT established teacher bonuses for National Board Certification and schoolwide performance. Eventually, the program was written out of the contract due to a lack of funding.
1999–2001	During this interim period, MPS and MFT continued to research performance pay options for the city. In addition, they provided input to the Minnesota Legislature, which was considering legislation for statewide performance pay.
2001	A statewide bill, Alternative Teacher Compensation, passed. Districts were able to apply for state funds to develop and implement districtwide performance-based pay programs.
2002	In response to the 2001 legislation, MPS and MFT collaborated to create the Minneapolis Professional Pay System (ProPay).
2004	To provide further performance-based pay options in Minneapolis, MPS and MFT decided to implement a modified version of the Teacher Advancement Program (TAP), which they called “MnTAP.”
2005	New state legislation, called Alternative Teacher Pay, was passed. State officials called this program “Quality Compensation for Teachers (Q Comp).” MPS and MFT combined ProPay and MnTAP and created more opportunities for teachers under a new salary schedule. Minneapolis called this program the “Alternative Teacher Professional Pay System (ATPPS).”
2009	MPS and MFT made changes to ATPPS, and the program was eligible for state (Q Comp) funding.

The Beginning of Compensation Reform in Minneapolis

Restructuring the way that teachers are paid has been a focus of education reform efforts in MPS for more than a decade and largely has been spearheaded through collaboration between the Minneapolis Federation of Teachers (MFT)—the local teachers union—and the district (L. Nordgren, personal communication, September 6, 2007). During the 1997–99 teacher contract negotiations, district and union leadership expressed a desire to experiment with different forms of alternative compensation but nothing specific came to fruition during that contract negotiation. At that time, the two parties did agree to incorporate two types of compensation into the two-year teacher contract: bonuses for teachers who receive certification through the National Board for Professional Teaching Standards and rewards for schoolwide performance; however, the state grant funding for the school-based performance initiative has since run out (White, 2003).

During negotiations for the 1999–2001 contract, union and district leadership continued to research issues relating to alternative compensation. Representatives from MFT and MPS spoke with both researchers and practitioners during a series of workshops. Experts included Allan Odden of the University of Wisconsin’s Consortium for Policy Research in Education as well as representatives from pay-for-performance programs in Denver, Cincinnati, and Douglas County in Colorado. MFT and MPS staff also attended national conferences on teacher compensation (White, 2003).

While MFT and MPS pursued forms of compensation to reform the district’s single-salary schedule, state officials began to lay the legislative groundwork for the development of a new state-level alternative compensation system. In 2001, the Minnesota Legislature passed a bill allowing districts, in collaboration with their unions, to apply for state funds to implement an alternative compensation system for teachers (Alternative Teacher Compensation, 2001). The MFT and MPS team provided input for this legislation (White, 2003). The law required a district’s alternative professional pay system to accomplish the following:

- Offer teachers opportunities for career advancement while retaining primary roles in student instruction.
- Create a system that reforms the traditional salary schedule and is not based on years of service.
- Encourage ongoing professional development for teachers in content knowledge, pedagogy, and the use of best practices.
- Implement an objective teacher-evaluation system that aligns school and/or district educational improvement goals.

To apply for state funds to implement an alternative compensation system for teachers, the law required that districts have an educational improvement plan in place. The plan was to include measures for improving district, school, teacher, and individual student performance. Measures for improving performance could consist of student attendance and completion rates, teacher performance evaluations, and student state assessment scores (Educational Improvement Plan, 2001).

This 2001 law provided MPS and MFT with an opportunity to incorporate an alternative compensation system into the then-upcoming biennial teacher contract for 2001–03. The MFT and MPS design team, made up of local teachers and administrators, set out to create an alternative compensation system that met the requirements of the state law but also helped them to achieve district-level goals. The team agreed that enhancing instruction by providing teachers with opportunities for improved knowledge and skills is the best way to improve student performance in the district. This agreement became the backdrop for the district’s alternative compensation system. MFT and MPS decided that the focus on professional development in the district would be on improving teacher knowledge and skills.

The alternative compensation system would ensure that the teacher’s role in professional development goes beyond mere participation to the successful demonstration of new instructional strategies in the classroom (L. Nordgren, personal communication, September 6, 2007). The design team wanted to develop an alternative compensation system that focused on rewarding teachers for professionalism, including their skills and accomplishments (Sundin, 2007). The team members decided that they would keep the salary increases that were available for additional education but that the options for additional education-related salary increases would be broadened to include acquiring professional growth credits (L. Nordgren, personal communication, September 6, 2007).

MPS and MFT agreed that the goals for the new compensation system in Minneapolis should include the following (Sundin, 2007):

- Improving student learning through the acquisition and demonstration of teacher knowledge and skills that align with standards and are peer reviewed.
- Measuring teacher growth and impact through multiple professional assessments based on standards of effectiveness.
- Rewarding teachers for professional leadership and responsibility.
- Attracting, developing, and retaining good teachers through professional opportunities, support, and salaries.

As previously mentioned, the 2001 state law stipulated that districts applying for funding through the state program must show how they will reward teachers based on a measure of school and/or student performance. MFT and MPS were reluctant to use student achievement measures as part of the system they were designing for Minneapolis (White, 2003). To comply with the state legal requirements, the design team included a set of district- and school-based performance awards (as opposed to awards for individual teachers) in the initial program.

Using the 2001 law as support, the alternative compensation design team was committed to formulating a system that qualified for state funding but also met the ambitious goals set out by the district. From fall 2001 to spring 2002, the design team worked on the specific components of the alternative compensation system for the district. This work culminated into the creation of the Minneapolis Professional Pay System (ProPay).

The Minneapolis Professional Pay (ProPay) System

In May 2002, the Minnesota Department of Education approved the district's application to implement ProPay (Minneapolis Public Schools, 2008b). According to state law, this application also had to be approved by the MPS Board of Education (Alternative Teacher Compensation, 2001). MPS received \$5.1 million from the Minnesota Department of Children, Families, and Learning (which now operates as a part of the Minnesota Department of Education) to fund ProPay. At least 25 percent of teachers in the district needed to sign up for ProPay for MPS to receive state funding, which initially lasted through the 2002–03 school year (Alternative Teacher Compensation, 2001). MPS exceeded the 25 percent requirement when more than 1,200 teachers (37.5 percent) agreed to participate in ProPay in the first year. In 2003, the state increased and appropriated funding for the program for the 2003–04 school year (H.F. 1376, 2003).

Eligibility

ProPay is a voluntary program. Any teacher in MPS may opt into ProPay or remain on the traditional salary schedule.

Compensation

ProPay offers teachers a variety of opportunities to earn salary increases for professional advancement. It evaluates teachers using schoolwide and individual indicators of success. Teachers earn professional growth credits (PGCs) based on their completion of the ProPay 1-2-3 program—a yearlong process that takes between 60 and 70 hours to complete the following three elements:

- **Instruction.** Teachers participate in at least 15 hours of coursework related to student and teacher learning needs.
- **Implementation/Demonstration.** Teachers demonstrate on the job how they implement new strategies and skills learned from the coursework. Three times a year, teachers participate in formal observations, which model the MPS professional development process (PDP). ProPay 1-2-3 course coaches or site-based peer coaches observe their colleagues. Peer assessment within the school and peer reflection through videotaped instruction also are conducted.
- **Reflection and Results.** Teachers reflect on how their acquired strategies and skills influence student learning through the completion of an action research project and paper that is scored by two of the 34 trained assessors. The assessors use a standardized rubric; if the first two scores are discrepant (one assessor passes the paper and one does not), a third assessor is assigned. The action research project focuses on data-driven decision making within the classroom. Teachers use data to identify the needs of their students. Through the knowledge and skills learned in their ProPay coursework, teachers indicate new strategies for application in their classroom. Pretest and posttest data used can include the following:
 - Informal or formal observations of students
 - School or classroom records

- Student work products or projects
- Informal or formal student test scores

The ATPPS alternative salary schedule is structured similarly to the traditional schedule, with steps and lanes. The steps of the alternative salary schedule are called “career increments” and the lanes are called “professional growth credits lanes.” Teachers participating in ProPay have more opportunities for lane movement than do teachers using the traditional methods of movement—years of experience and college credits. Upon successful completion of the ProPay 1-2-3 program, teachers with passing scores on their action research project receive 15 PGCs. Teachers use the PGCs to move across lanes on the alternative salary schedule (see ATPPS Office, 2008), which translates to a salary increase of approximately \$1,000 for each lane.

As described earlier, ProPay now exists as a primary component of the district’s umbrella program for alternative compensation, ATPPS. (More information about ATPPS begins on page 9 of this case summary.) Since the beginning of ProPay and as part of the transition to the ATPPS program, the number of ProPay 1-2-3 course offerings has increased to meet the increase in demand. The number of ProPay courses has grown from 3 to 70 courses during a three-year time frame, and all are aligned to district academic standards (L. Nordgren, personal communication, September 6, 2007). In addition, more than 2,400 teachers (out of more than 3,000) have voluntarily participated in the program (Minneapolis Public Schools, 2008b). According to an ATPPS administrator, the number of teachers opting into ProPay has more than doubled since the start of the program (L. Nordgren, personal communication, September 6, 2007).

Before ProPay became part of the ATPPS program in 2005, however, the district launched another alternative compensation effort in 2004, MnTAP. After ProPay operated in the district for approximately two years, a labor management planning committee (made up of union representatives and district administrative officials) decided to create more opportunities for teachers to transfer out of the traditional salary schedule. MFT and MPS decided to apply for and implement the TAP model and called their program MnTAP (L. Nordgren, personal communication, September 6, 2007).

Minneapolis Teacher Advancement Program (MnTAP)

To expand opportunities for teachers to earn incentives, MFT and MPS implemented the TAP model in 2004. The district initially implemented the program, which became known as MnTAP, in two elementary schools and one middle school (Minneapolis Public Schools, 2008a). Today, the program operates in 15 schools (six community elementary schools, five magnet schools, three middle schools, and one high school) and approximately 650 staff participate (W. Gibbs, personal communication, September 14, 2007; Minneapolis Public Schools, 2008b). The three schools that implemented TAP for the 2004–05 school year (the first year of the program) were funded through the state’s Teacher Quality Enhancement (TQE) Grant project (Minnesota Department of Education, 2007b).

MnTAP funding increased in the years following the 2004–05 school year. In 2005, the Broad Foundation provided \$2.6 million in grant funds to support MnTAP (Brandt, 2005; National

Institute for Excellence in Teaching, 2005a; Minneapolis Public Schools, 2008a). Also in 2005, when the state passed legislation for the statewide compensation reform, MnTAP received \$1.2 million state funding (National Institute for Excellence in Teaching, 2005b). Today, MnTAP continues to be funded through district, state, and foundation funds (Minneapolis Public Schools, 2008a).

Eligibility

Participation in the MnTAP program is determined at the school level—that is, individual teachers cannot apply on their own and at least 70 percent of teachers in a school who are .5 full-time equivalent (FTE) and higher must approve the school’s participation in the program. All schools in the district are eligible to apply to MnTAP. When a school votes in favor of MnTAP, all teachers in the school become MnTAP teachers (Minneapolis Public Schools, 2008a). Schools that agree to implement MnTAP are required to operate the program in their school for a minimum of two years. After every two years of implementation, the schools vote on whether or not to continue the program.

Structure

Teachers in MnTAP schools can receive additional compensation for participating in the following TAP elements:

- **Multiple Career Paths.** Teachers may apply to one of two roles in the school to receive additional compensation: site mentor or instructional coach. Site mentors meet with teachers to deliver professional development and to reflect on their instruction and brainstorm new instructional strategies. Mentors teach one or two of their own classes daily, while coaches are pulled out of their classrooms for one hour per day to assist mentors with program responsibilities—including overseeing program implementation and providing assistance to teachers with TAP-related issues.
- **Teacher Observations and Evaluations.** All teachers in MnTAP are evaluated three times a year, once each by an administrator, mentor, and coach. Observations are used to evaluate teaching in three areas: designing and planning instruction, classroom/learning environment, and instruction. Teachers also conduct self-evaluations. According to the MnTAP coordinator, a key component of the MnTAP process is the postconference between a teacher and a site mentor, which is intended to facilitate reflection of observations and evaluations (W. Gibbs, personal communication, September 14, 2007; Minneapolis Public Schools, 2008b).
- **Ongoing Professional Development.** Teachers participate in weekly professional development based on the specific learning needs of students at their school. A site mentor delivers professional development. Teachers are required to record their professional development activities in an individual growth plan, including activities such as meetings with mentors and results of formative student assessments.
- **Performance-Based Compensation.** Teachers may receive additional compensation based on performance, measured through teacher evaluation and student achievement gains.

Compensation

For the first two years of the program (2004–05 and 2005–06), teachers in MnTAP schools received one-time payments each year that they met the above indicators. Since being combined under ATPPS, the method of determining compensation has been based on whether or not a MnTAP school teacher participates only in MnTAP or also participates in the district’s ATPPS alternative salary schedule program. (See Table 3.)

Table 3. Method of Determining Compensation

MnTAP-Only Teachers	MnTAP and ATPPS Teachers
MnTAP teachers who are not part of ATPPS receive one-time payments each year that they meet the indicators. These payments are based 50 percent on teacher evaluation scores and 50 percent on student achievement gains. Teachers are eligible to receive up to \$2,000 per year based on evaluation and student growth requirements.	MnTAP teachers who also participate in ATPPS are eligible to earn PGCs based on their achievements (according to TAP elements), similar to teachers under ProPay. A total of 12 PGCs equals 1 lane change on the alternative salary schedule, worth \$1,000. Teachers are eligible to earn up to 2 lane changes, or \$2,000 per year.

Similar to the national TAP model, the program has a set-aside amount of \$2,000 per teacher for MnTAP schools. Half of that payout (\$1,000) is given to teachers who receive positive classroom evaluations, and the other half of the payout (\$1,000) is for teachers’ contribution to student gains (W. Gibbs, personal communication, September 14, 2007; Minneapolis Public Schools, 2008a). Student achievement gains are measured by student achievement scores on both district and state standardized tests. If a school makes expected growth, each teacher receives 50 percent of the payment. For one standard deviation above expected growth, 75 percent of the payment is meted out. If a school makes two standard deviations above expected growth, the full 100 percent is paid out (W. Gibbs, personal communication, September 14, 2007; Minneapolis Public Schools, 2008a).

Professional Growth Credits

MnTAP and ATPPS teachers can earn up to \$2,000 in performance-based awards each year, based on the number of PGCs accumulated:

- 3–15 PGCs based on Skills, Knowledge, and Responsibilities (SKR) scores. SKR scores are based on results from classroom observations that are used to evaluate teacher classroom performance, rooted in state professional teaching standards. For employees who do not provide direct instruction to students, evaluations are based on district professional standards (Minneapolis Public Schools, 2008a).
- 1–5 PGCs for Quality Performance Indicator (QPI) scores. (See Table A1 in the Appendix.) QPI scores are based on 33 indicators of teacher performance in the classroom and fall under the ATPPS umbrella program.
- 4 PGCs for the school making adequate yearly progress (AYP).

- 3 PGCs for teachers who “beat the odds.” Teachers in this category are those whose classes make above-average (more than one year of growth) value-added gains on the district and state standardized tests.
- 3 PGCs for completion of an individual growth plan that includes pretest and posttest data related to TAP team cluster goals documented by the teachers.
- 2 PGCs for 40 continuing education coursework hours.

A changing political landscape led to growing interest in alternative compensation at the state level. After MnTAP was in place for two years, the state passed legislation that further influenced the scope of alternative compensation in MPS.

New State Law: Creation of the Alternative Teacher Professional Pay System (ATPPS)

In 2003, newly elected Governor Tim Pawlenty made teacher compensation reform a high priority on his education agenda. In the midst of a statewide budget deficit, Governor Pawlenty expressed his desire to use alternative compensation as a means of controlling government costs by demanding high performance for increased salary (Walsh, 2003). He discussed the importance of developing new approaches to teacher compensation in his 2005 State of the State address:

Minnesota is filled with many wonderful teachers, but the way we pay them is outdated. It’s not geared towards accountability for results, and it doesn’t treat teachers like professionals. (Pawlenty, 2005, p. 8)

Governor Pawlenty was in favor of the TAP program and wanted to put more money into it (L. Nordgren, personal communication, September 6, 2007). MPS and MFT wanted more out of a state-level alternative compensation bill, so they worked closely with the Legislature to draw up language. MFT and MPS also worked with lobbyists to reach the Legislature and influence the making of state-level alternative compensation legislation. In addition, former State Senator Steve Kelley served as an ally to the Minneapolis Labor Management Committee and played a role in passing the 2005 state law that created ATPPS (L. Nordgren, personal communication, September 6, 2007). The result was a bipartisan bill from the Education Budget Committee that eventually became the 2005 state law on compensation reform, which was called Alternative Teacher Pay (L. Nordgren, personal communication, September 6, 2007). Governor Pawlenty calls this law “Q Comp” (Minnesota Department of Education, 2007a). Education Minnesota (the state-level teachers union) and MPS call this law the “Alternative Teacher Professional Pay System” or ATPPS.

Minneapolis Changes Its Approach

The MPS approach to teacher compensation expanded in 2005 with the introduction of ATPPS in the district. Prior to the 2005 law, both ProPay and MnTAP operated as separate programs with separate administration. ATPPS allowed the district to include ProPay and MnTAP under a single umbrella program. The move created more uniformity in communication about the program and its various components. The state law also allowed Minneapolis to broaden the

opportunities for alternative compensation for those teachers not in a MnTAP school or for those who did not want to participate in ProPay (although all teachers are eligible for ATPPS).

MPS teachers had to vote on whether or not they would accept the ATPPS plan in their district. If the vote passed, MPS would be the biggest district in the state to implement a version of the 2005 law. After much deliberation, the district's teachers finally voted to accept ATPPS. The plan was not exactly what Governor Pawlenty had in mind, however. He wanted to end the practice of paying teachers based on years of service and education and pay them, rather, for how well their students did (Brandt, 2006c). The MPS plan, in contrast, was rooted in the use of continuing education to improve teacher knowledge and skills to, in turn, have an impact on student achievement. When the teachers voted to approve the plan in the district, MPS was given transitional dollars to implement its version of ATPPS with the understanding that after the 2008–09 school year, the district's program would fully reflect the state law, including a teacher assessment process (L. Nordgren, personal communication, September 6, 2007).

Details of ATPPS

The ATPPS law provides state funding for districts to develop alternative teacher-compensation systems. It gives districts an opportunity to design their own programs that meet certain state guidelines. District programs must do the following:

- Reform the salary schedule.
- Incorporate a teacher evaluation system.
- Provide ongoing professional development, coaching, and mentoring.
- Include measures of student and schoolwide achievement.

Eligibility. All teachers are eligible to sign up for ATPPS, but participation is optional. Teachers who choose to participate in ATPPS are placed on the new salary schedule (called salary schedule B); teachers who choose not to participate will continue to use traditional salary schedule (Minneapolis Public Schools, 2009). Teachers also may opt out of ATPPS at the end of the school year, after they already joined. The large majority of teachers who decided to participate, however, have stayed in ATPPS (L. Nordgren, personal communication, September 6, 2007).

Structure. Teachers can earn PGCs across four major compensation categories. (A detailed listing of opportunities to earn PGCs can be found in Table A1 in the Appendix.) These opportunities include the PGCs that teachers earn through participation in ProPay and MnTAP as well as the following other professional growth indicators (Minneapolis Public Schools, 2008b):

- **Category I—Education, Degree, and Certificates.** Teachers earn PGCs for the completion of additional college coursework, advanced degree(s), or advanced/additional certification or licensure.
- **Category II—Professional Development.** Teachers earn PGCs for participating in rigorous, applied professional development. The professional development is standards-based and approved by the district. MnTAP teachers complete an individual growth plan

based on the TAP model. All other teachers complete a PDP plan based on a district model.

- **Category III—Professional Leadership.** Teachers earn one-time payments for assuming leadership positions within schools and the district by serving on school and district committees or acting as site stewards, team leaders, or department chairs.
- **Category IV—Responsibility Credits.** Teachers earn one-time payments for taking on additional voluntary professional responsibility credits, including serving as test coordinators, PDP coordinators, site staff development chairs, or volunteer/business partner coordinators.

Compensation. ATPPS features an alternative salary schedule in which teachers earn salary increases for experience and professional growth. Teachers move vertically on the salary schedule across *career increments* for years of experience and the annual completion of their professional development plan. Each career-increment movement results in a \$1,000 salary increase. Teachers also can earn salary increases on the salary schedule by moving horizontally across *professional growth lanes* based on the accumulation of 15 PGCs through the various options for incentives (including ProPay and MnTAP), which adds \$1,000 per lane movement. Teachers can move across a maximum of two PGC lanes per school year, capping the maximum salary increase at \$2,000. Teachers who accumulate more than 30 PGCs in a year may bank their additional PGCs and use them for the next school year.

Changes to ProPay and MnTAP under ATPPS

Since approving ATPPS, MPS has continued to make adjustments to ProPay and MnTAP requirements. (The most recent details can be seen in Table A1 of the Appendix.) One important detail to note is that teachers can participate in MnTAP but choose to opt out of ATPPS. Although these teachers cannot earn PGCs, they use a point system to earn bonuses in some of the same categories that ATPPS teachers earn PGCs. For a non-ATPPS teacher, each point for a MnTAP-related activity results in a \$75 one-time payment, with the maximum awards capped at \$2,000 (Minneapolis Public Schools, 2008a).

Changes to ATPPS

In January 2009, MPS teachers voted to make changes to ATPPS. During the first three years of implementation, teachers earned PGCs for all alternative compensation activities. Going forward, any activity completed after July 1, 2008, would fall under the new alternative salary schedule. Under the new schedule, teachers have opportunities to earn PGCs and one-time payments, based on the type of activity. Teachers earn PGCs for additional education, degrees, and certificates, as well as MnTAP and ProPay participation. They also earn one-time payments for participation in professional development and National Board Certification, as well as for taking on additional responsibilities and leadership roles. (See Table A1 in the Appendix.) PGCs earned through the ProPay 1-2-3 courses and the action research project are awarded upon completion of expectations. The action research project must be completed within one year from the last ProPay 1-2-3 course date (Minneapolis Public Schools, 2008b).

In addition, teachers earn a one-time payment at the beginning of the school year, when they have reached benchmark career commitments at 10, 15, 20, 25, and 30 years of teaching. (See Table A2 in the Appendix.) Mentors and instructional coaches also receive significant one-time payments. (See Table A3 in the Appendix.) Furthermore, teachers may sign up for ATPPS while not in the classroom and earn PGCs through certain activities while on leave. These PGCs are applied to their salary at the time of their return into the classroom (Minneapolis Public Schools, 2008b).

Implementation and Effects of ATPPS

Participation. Support for ATPPS is growing among teachers. In 2006, teachers voted whether to implement ATPPS in the district for the 2006–07 year; the program passed with 64 percent of teachers voting in favor of the program. In 2007, the program passed with 73 percent of teachers in favor (Brandt, 2007). In the most recent vote, taken in January 2009, 80 percent of teachers supported the program. (L. Nordgren, personal communication, January 27, 2009). The overall number of teachers participating in ATPPS has grown from 1,700 in its first year to more than 2,400 (L. Nordgren, personal communication, September 6, 2007).

ProPay, MnTAP, and ATPPS work as an integrated system. Participation in one component does not exclude a teacher from moving along the alternative salary schedule through other components. For example, a teacher in a MnTAP school earns professional growth credits for high marks on the TAP teacher evaluations. That same teacher also is eligible to participate in ProPay and earn credits for additional movement on the alternative salary schedule. If the teacher chooses not to participate in ProPay, he or she is still eligible to earn credits for any of the additional 33 options available under ATPPS. The system works similarly for other combinations. A teacher participating in ProPay also may meet the ATPPS requirements for PGCs by completing his or her professional development plan and using student and family feedback surveys, to name a few possibilities.

Communication. ATPPS staff play a role in communicating with teachers across the district about the program. ATPPS staff visit the schools to present information to the teachers on the different components of the program. MFT and MPS also have developed informational fliers that are distributed throughout the district to spread accurate information about the program. In addition, the National Institute for Excellence in Teaching (which developed and helps administer TAP) provides informational materials about the TAP program. Staff view this approach as important for gaining teacher support and dispelling myths about the program (L. Nordgren, personal communication, September 6, 2007).

Funding. The 2005 law also provides MPS with the future opportunity to benefit from state funding streams by qualifying for state support as a part of Q Comp. Districts were allowed some flexibility in how they met the state’s outlined expectations so that alternative compensation plans may be tailored according to each district’s needs. The ATPPS labor management committee is taking steps to gradually alter the program for state funding requirements after the 2008–09 school year (L. Nordgren, personal communication, September 6, 2007). If all components of ATPPS fulfill the state’s requirements for alternative compensation under Q Comp, MPS is eligible for additional state funding (L. Nordgren, personal communication,

September 6, 2007). Adding the teacher assessment component enables MPS to meet full requirements for state funding of ATPPS. When the ATPPS law was passed in 2005, MPS already was implementing quite a few of the components, such as the professional growth plan. However, MPS also needed to implement other aspects of the law. Instead of doing it all at once, the district chose to implement the law in phases. The 2008–09 school year is the district’s last year of transition. After that, the MPS program will need to fully comply with the state law, including the student improvement component. After the district has everything in place, state funding will go from \$150 per student to \$260 per student (L. Nordgren, personal communication, September 6, 2007).

Teacher Views about ATPPS

Teachers have said they sign up for ATPPS for several reasons: ATPPS provides an opportunity to increase professionalism; teachers can take control of their careers and their pay; and there is no threat of regressing or losing money (Sundin, 2007). After a teacher has moved a lane on the salary schedule, the salary adjustment becomes permanent, even if the teacher opts out of the program. The ATPPS law also has a “hold harmless” aspect, which ensures that teachers cannot earn less under ATPPS than they would under the traditional salary schedule.

Although many teachers view ATPPS as a rewarding path to increase teacher pay, some teachers still choose to remain on the traditional salary schedule. As a local paper expressed it, teachers participating in ATPPS “exchang[ed] solid ground for shifting sands” (Brandt, 2007). At each phase of the development of ATPPS, teachers who remained on the traditional salary schedule offered similar concerns about the program (Brandt, 2006a), including the following:

- **Devaluing Seniority.** In the eyes of some teachers contacted for the article, ATPPS might devalue the years of experience that a teacher brings to the classroom.
- **Lack of Stability.** Teachers paid through the traditional salary schedule explained that they know the amount of their salary increase each year. Pay raises in ATPPS are less certain.
- **Pathway to Results.** Some teachers questioned whether the incentives are effective in improving student achievement. They are concerned about whether or not the path to teacher incentives really is in the best interests of the teachers or the students.
- **Financial Sustainability.** Some teachers expressed concern about whether funding for the program is sustainable and whether the program will end.

Although the collaboration between the union and district facilitated the development of alternative compensation in Minneapolis, it also became a source of contention among some members. The dissatisfaction of some teachers with ATPPS highlighted dissention within the union regarding the collaboration between the teachers union and the district’s alternative compensation program. Outspoken members believed that the collaboration became “too comfortable at the expense of teachers” (Brandt, 2006b, p. 3B). One interviewee mentioned that she believes resistance is subsiding as teachers learn more accurate information from communicating with ATPPS staff (L. Nordgren, personal communication, September 6, 2007).

Sustaining ATPPS

Funding for ATPPS can be linked to state funds if MPS applies to the Minnesota Department of Education for Q Comp funding, which—through law—is a categorical aid program. This designation maintains the program as a permanent funding program, dependent on current and future legislatures. In addition, even if the program were to be discontinued, all salary increases earned throughout the program’s existence will continue.

Teacher buy-in is an important factor in sustainability. ATPPS staff work continually to communicate with the schools in the district so that teachers understand and are aware of the benefits of the program (L. Nordgren, personal communication, September 6, 2007). For example, ATPPS guidelines were sent to the home of every MFT teacher and directions for documenting PGC hours are sent through school mail and e-mail to all participating teachers (Minneapolis Public Schools, 2008b). Furthermore, as soon as a teacher transfers to the alternative salary schedule, the district sends information confirming what his or her salary “step” and “lane” are and asks the teacher to verify (L. Nordgren, personal communication, September 6, 2007).

Over the years, the links between ATPPS offerings and value-added measures of increased student performance have been strengthened. However, the aspect of the program that measures and links ProPay courses and the effects on student achievement still needs some work (Sundin, 2007). The district currently is working to expand the value-added capabilities of its data systems so that teacher effects on performance and schoolwide gains over time can be accurately assessed (W. Gibbs, personal communication, September 14, 2007).

Currently, ATPPS utilizes eCompass, a technology system that maintains all data regarding teachers’ completion of ATPPS-related activities. The eCompass system tracks professional growth using an online transcript that records staff development activities (Minneapolis Public Schools, 2007b). In addition, eCompass enables teachers to register online for professional growth opportunities.

Lessons Learned

Through the multi-year process, MPS gained exposure and worked with key interest groups to develop a program that could add focus to increasing student achievement through an alternative compensation program for teachers. Key lessons from the process are as follows:

- **Agree early on the key program elements.** The alternative compensation programs in MPS are the product of a successful collaboration between the district and the teachers union. MPS and MFT held a shared vision of raising the standards of the profession by developing a professional model of teacher compensation that would reward teachers for quality work as well as improving instructional quality through applied knowledge and skill acquisition.
- **Involve union representatives in the decision-making process.** The partnership between MPS and MMT supported the development of an alternative compensation program in Minneapolis. The push for alternative pay was initiated by the union and

embraced by the district. In order to gain momentum, both parties maintained focus on communication with teachers to obtain buy-in, paying special attention to younger teachers who were seeking something innovative in terms of compensation and to veteran teachers whose salaries remained frozen on the traditional salary schedule. MFT is considered a pioneer in changing the culture of collaboration (Blair, 2002).

- **Offer an aspect of choice to participants.** Allowing teachers the option to participate in the alternative compensation program helps build a supportive community. In the case of MnTAP, buy-in is a requirement of the program, requiring a vote garnering 70 percent approval from school faculty. ATPPS enrollment has grown to more than 2,300 teachers—a number the district uses as an indicator of teacher satisfaction with the program (L. Nordgren, personal communication, September 6, 2007). The district is in the process of developing a more formalized feedback process, which should help strengthen and sustain the program. Furthermore, a teacher may not be hurt in terms of salary either coming on to the alternative salary schedule or going off of it. Whatever money that teachers earn as a part of the process is theirs to keep; the increases stay on their base salary (L. Nordgren, personal communication, September 6, 2007).
- **Provide effective communication between constituents.** With any new program, many questions arise and misinformation or disinformation may circulate. Ongoing communication is needed to ensure that program components are clearly understood. To maintain a safe, credible atmosphere relating to ATPPS, the ATPPS staff took great care to answer the many daily e-mails and phone calls that came into the ATPPS office. By following through efficiently and effectively with participants, the ATPPS office gained a strong districtwide reputation of service and trustworthiness.

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Appendix

Table A1. Professional Growth Credits and One-Time Payments for 2008–09

Category I. Education, Degrees, and Certificates (after 7-1-2008)	PGCs*	One-Time Payment**
1. College Credits (1 per quarter credit, 1.5 per semester credit)	1 / 1.5	
2. Master's Degree	15***	
3. Ed Specialist Degree	15***	
4. Doctorate Degree	15***	
5. National Certifications	15***	
6. Autism Certificate	15***	
7. Montessori Certificate	15***	
Category II. Professional Development (after 7-1-2008)		
8. MnTAP (based on SKR score)	3–15	
9. ProPay 1-2-3 Course	15	
10. Achievement of Tenure (successful completion of three-year process)	15	
11. ProPay Professional Skill Set	1 PGC/10 hours	
12. Professional Development Process (PDP) or Individual Growth Plan (IGP) (fall, winter, spring) Progress Reports/Surveys	5	
13. Guided PDP Team Participant		\$200
14. Professional Support Process (PSP) Team Participant		\$300
15. National Board Certification		\$1,500 (\$500 for recertification)
16. Quality Performance Awards	N/A	Under redevelopment by district
Category III. Professional Leadership		
17. Site Leadership Team		\$200
18. Site Leadership Team Chair (receives payment of 17 plus 18)		\$100
19. Instructional Leadership Team		\$200
20. Instructional Leadership Team Chair (receives payment of 19 plus 20)		\$100
21. District-Level Committee		\$200
22. Site Steward		\$200
23. Team Leader and/or Department Chair		\$300
24. Curriculum Coordinator/Liaison		\$300
25. eCompass Site Coordinator		\$200
26. Site Staff Development Chair		\$200

Category IV. Responsibility Credits		
27. PDP Coordinator (based on number of teachers at the site)		\$500–\$2,000
28. Test Coordination Teams (based on number of students tested)		\$500–\$2,000

Notes:

*Maximum of 30 PGCs can be applied per year. Any additional PGCs earned may be banked for future application.

**Maximum of \$2,000 per year. There is no carry forward on additional money earned.

***In addition to coursework credits earned.

Source: 2008–2009 Alternative Teacher Professional Pay System (ATPPS) Guidelines (Minneapolis Public Schools, 2008b, p.7).

**Table A2. Additional Alternative Compensation Pay for 2008–09:
Career Commitment**

Career Commitment*	One-Time Payment
30-year commitment	\$1,500
25-year commitment	\$1,250
20-year commitment	\$1,000
15-year commitment	\$750
10-year commitment	\$500

Note:

*Determined by a teacher’s MPS steps and lanes placement and paid at the beginning of the teacher’s commitment year.

Source: 2008–2009 Alternative Teacher Professional Pay System (ATPPS) Guidelines (Minneapolis Public Schools, 2008b, p. 8).

**Table A3. Additional Alternative Compensation Pay for 2008–09:
Leadership**

Leadership*	One-Time Payment
<i>Mentors</i>	
Site TAP Mentor	\$5,000 each year
<i>Instructional Coaches</i>	
MnTAP Site Coach	\$3,000 each year
ProPay 1-2-3 Course Coach	\$30 per hour

Note:

*While still in position, approved by the ATPPS District Committee.

Source: 2008–2009 Alternative Teacher Professional Pay System (ATPPS) Guidelines (Minneapolis Public Schools, 2008b, p. 8).

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The Center for Educator Compensation Reform (CECR) was awarded to Westat—in partnership with Learning Point Associates, Synergy Enterprises Inc., Vanderbilt University, and the University of Wisconsin—by the U.S. Department of Education in October 2006.

The primary purpose of CECR is to support the Teacher Incentive Fund (TIF) grantees with their implementation efforts through the provision of ongoing technical assistance and the development and dissemination of timely resources. CECR also is charged with raising national awareness of alternative and effective strategies for educator compensation through a newsletter, a Web-based clearinghouse, and other outreach activities. We look forward to an exciting partnership with the TIF grantees as we embark together on blazing a new path for education reform.

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